

EXHIBIT G

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF VERMONT

GROCERY MANUFACTURERS
ASSOCIATION, SNACK FOOD
ASSOCIATION, INTERNATIONAL
DAIRY FOODS ASSOCIATION, and
NATIONAL ASSOCIATION OF
MANUFACTURERS,

Plaintiffs,

V.

Case No. 5:14-cv-117

WILLIAM H. SORRELL, in his official capacity as the Attorney General of Vermont; PETER E. SHUMLIN, in his official capacity as Governor of Vermont; TRACY DOLAN, in her official capacity as Commissioner of the Vermont Department of Health; and JAMES B. REARDON, in his official capacity as Commissioner of the Vermont Department of Finance and Management,

Defendants.

DECLARATION OF JERRY GREENFIELD

I, Jerry Greenfield, make this declaration pursuant to Federal Rule of Evidence 702, in opposition to Plaintiffs' request for a preliminary injunction.

1. I am a co-founder and employee of Ben & Jerry's, which is now a wholly-owned subsidiary of Unilever. As the co-founder, I have developed expertise in all areas of Ben & Jerry's business, including expertise in marketing and packaging. Over the years, I was involved in many changes the company has made to its food packaging. In fact, Ben & Jerry's is currently in the final phase of a full line redesign across our entire portfolio. We are updating our packaging to refresh the brand's look and feel and to refresh marketing claims.

2. In light of my experience, I have personal knowledge about the processes involved in making changes to processed-food packages, including the general time required to make such changes and the typical costs that a company incurs when making those changes.

Act 120 and Draft Rules

3. Ben & Jerry's supports Act 120, and representatives from Ben & Jerry's, including me, testified before the Vermont Legislature to lobby for the enactment of Act 120.

4. I have reviewed the Act as well as the rules drafted by the Attorney General's Office that are designed to implement the Act. Under the draft rules, when a company is required to label one of its products, it can comply with the law by placing the words "produced with genetic engineering," "partially produced with genetic engineering" or "may be produced with genetic engineering" in a place that is easily found by a consumer. The Attorney General's Office has indicated in the rule that if the words are placed on the same side as the nutrition label in the same font size as the information about serving size, it is presumptively compliant with Act 120.

Frequency and Timing of Relabeling and Repackaging

5. Ben & Jerry's regularly purchases printed packaging from a supplier. Like many food companies, Ben & Jerry's manages its inventory of packaging very closely. For our top selling store keeping units (SKUs), we order packaging every few weeks. We do this because there is risk in sitting on large inventories of packaging, beyond just the cost of storing it. Some of those risks include regulation changes, ingredient changes which can also effect nutritional information, manufacturing procedure changes, which can impact allergen statements, and marketing claims. We manage our packaging closely so as not to have to write off packaging when an aspect of our business requires a packaging change to occur.

6. Ben & Jerry's, as part of our normal business cycle, will typically make changes to between 20% and 30% of our packaging every year. In the last 7 years, we have touched our entire product line at least 5 times.

7. It is typical for large processed food manufacturers to manage their packaging inventory in weeks, not months. Companies do not want to sit on packaging inventory for any longer than is required and incur the cost associated with managing and storing inventory.

8. Because packaging orders are placed on a routine basis, it is a fairly easy process to make minor changes in a product's packaging. If required, for a simple 4 to 6 word change to a label or package in order to comply with Act 120, Ben & Jerry's could produce new packaging in about 6 weeks. This would include design, production, and transportation to our manufacturing facility.

9. Ben & Jerry's hopes to reformulate all of its products prior to the effective date of Act 120, but if it cannot and it is required to label some of its products, Ben & Jerry's will be able to do so well before July 1, 2016. The typical time required from package redesign to store shelf in order to comply with the Act's effective date of July 2016, would be 6 months.

Costs of Relabeling and Repackaging

10. Because labeling changes are required by many factors, including a desire to stay current in the marketplace, the costs of changing labeling and repackaging is a standard part of the cost incurred by Ben & Jerry's in the normal course of business as part of its marketing efforts and is not passed on to the consumer of the product.

11. Where, as here, only a minor change in the label to add 4 to 6 words is required, the costs involved in changing labels are quite small in relation to the size of our business. If required, the entire process of changing our packaging to comply with Act 120 would cost \$500 per SKU.

Ben & Jerry's has about 70 SKUs in the marketplace at any given time, which puts the cost of

compliance with Vermont's Act 120 at approximately \$35,000. Compared to our sales, this cost is nominal and would not affect the cost a consumer would pay for our product at retail.

Statements in Plaintiffs' Declarations

12. I disagree with some of the statements made in the Plaintiffs' declarations and find them to be inconsistent with my experience in the food industry.

13. I find the Plaintiffs' claim that they cannot comply with the labeling obligations of Act 120 by July 16, 2016 because they do not have sufficient time unsupported by my experience. Companies have a number of options to communicate on packaging in addition to the package itself, including labels, stickers, and laser-jetting information onto existing packages.

14. I also do not believe that any company will go out of business as a result of Act 120. Companies have sufficient lead-time to make the necessary changes in a way that will not disrupt their business and can be folded into the costs they normally incur as part of marketing efforts. To the extent they feel they cannot absorb the costs, the costs can be passed on to the consumer, and those costs are so small they are unlikely to have any impact on consumer choices to purchase a product.

15. I also disagree that the Plaintiffs will be required to create new distributions networks in order to comply with Act 120. Nothing stops the Plaintiffs from selling a product that is consistent with Act 120 throughout the country. If they choose to create a separate distribution network for Vermont, it is their choice to do so, not a choice forced upon them by Act 120. Any costs incurred are therefore a cost they have incurred for doing business in a manner they choose, not for complying with Act 120.

I swear under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge.


Jerry Greenfield

Dated: November 14, 2014